

Important news for ultra low tar smokers.

Merit Adds New Merit Ultra Lights!



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- MERIT idea advanced to a new 4 mg tar, cigarette.
- A milder MERIT for those who prefer an ultra low tar cigarette.
- MERIT now positioned to take advantage of dramatic ultra low tar category growth.
- High-impact advertising.
- Media to include newspapers, supplements, magazines, outdoor, impactful point-of-sale.
- MERIT Ultra Lights. It's going to set a whole new taste standard for ultra low tar smoking.

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New! Merit
Ultra Lights

TO: Field Management
FROM: H. B. Coleman
SUBJECT: Merit Ultra Lights
National Introduction

In order to meet the demands of the fast growing ultra low-tar market, we are ready to expand Merit, America's best selling low-tar, into the ultra low-tar category. In December we will begin our national introduction of Merit Ultra Lights with our management sell-in.

Today the ultra low-tar market is experiencing the same rapid growth pattern as did the low-tar market in the '70's. Merit Ultra Lights, a milder version of Merit, is lower in tar than 97 percent of all cigarettes.

Merit Ultra Lights, with only 4 mg tar and 0.4 mg nicotine, has the appeal and the taste to set it apart from other ultra low-tar brands. It is sure to become the brand for smokers who prefer an ultra low-tar cigarette.

To support and promote this packing, there will be an introductory allowance, an automatic distribution allowance for all direct accounts, and an extensive promotion for retail, including ten percent gratis on ten cartons and \$1.50 for set/sell placements. Special sell-in material and point-of-sale items have been prepared for your presentations backed by sampling and extensive media support for greater brand awareness. We will also feature Merit Ultra Lights in an A-1 Program and a Sampling Program, both starting in March. Details on these two programs will be sent to you shortly.

We believe Merit Ultra Lights will set a whole new standard in ultra low-tar smoking. With the proper presentation and distribution of the brand, this introduction will be the beginning of yet another exceptional effort in the launching of this superior ultra low-tar cigarette -- Merit Ultra Lights.

H. B. Coleman

HBC/kb

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PRODUCT DETAILS

Product

Merit Ultra Lights Regular & Menthol - 85mm - Soft Pack

Tar & Nicotine Content

4 mg tar, 0.4 mg nicotine

Universal Product Code

	<u>Case</u>	<u>Carton</u>	<u>Pack</u>
Regular	01010	11010	281012
Menthol	01020	11020	281022

Price

\$18.50 per thousand

Case Packing

12,000 per case

Case Dimensions

21.9 x 17.8 x 11.4

Case Cube

2.6 cu. ft.

Case Weight

35.8 lbs.

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MERIT ULTRA LIGHTS
NATIONAL INTRODUCTION

FIELD MANAGEMENT INSTRUCTIONS AND INFORMATION

Management Meeting Date

- .Region management meetings are scheduled for the week of December 15.

Allocation Sheets

- .Prior to any presentations, two sets of Direct Account Quota Allocation Sheets and recaps by territory responsibility are to be reviewed, and allocations approved. The recap list includes an additional column for "Actual Purchase" to report purchases to Richmond Customer Service. Any adjustments in allocations must be approved by your Region Director.
- .One set is to be kept intact at the Section Office to record the allocations sold; the other is to be separated and distributed to the respective managers.
- .Upon completion of the management sell-in, the recap listing showing "Actual Purchase" is to be returned to:

Mr. G. O. Sledge
Customer Service
Philip Morris U.S.A.
Richmond, VA 23261
- .Introductory allowance payments cannot be made to any account until the complete set of allocation sheets are returned to Richmond. If a direct account has not accepted its allocation by February 20, consider forwarding the set to Richmond so that payments can be made prior to the ADA audit. Every effort should be made to return all allocation sheets to Richmond on or before February 16, the first business day after the end of the allocation period. This will ensure timely payments.

Direct Account Allocations

- .Section Managers will distribute direct account allocation sheets at the management meeting. Allocations are based on .75% of industry sales to the account for an average four weeks.

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Trade Circulars/Military Fact Sheet

.Trade circulars No. 476 (Merit Ultra Lights Introductory Announcement), No. 476-A (Automatic Distribution Allowance), and the military account "Fact Sheet" have been shipped to Section Sales Offices to arrive the week of December 8. The trade circulars and Fact Sheet must be hand delivered to each direct account. Do not mail these circulars to your accounts.

Direct Account Solicitation

.Your direct account presentations may begin immediately upon receipt of your management materials and sell-in samples. Attempt to contact as many high priority accounts as possible before the Christmas vacation.

Product Availability

.Merit Ultra Lights will be available to direct accounts the week of January 26.

Introductory Allowance (Circular #476)

.An Introductory Allowance of \$9.00 per 12M case (75¢ per thousand/15¢ per carton) will be paid on all Merit Ultra Lights up to allocated quantities shipped during the introductory period.

.The Allowance Period will run from January 26 through February 13.

.The Introductory Allowance for direct military accounts will be handled off invoice by Military Accounts, New York Office.

Automatic Distribution Allowance (Circular #476-A)

.The Automatic Distribution Allowance of \$6.00 per 12M case (50¢ per thousand/10¢ per carton) will be paid on all Merit Ultra Lights purchased and shipped from a direct account's warehouse to retail distribution points during the Automatic Distribution Allowance period (January 26 through February 20).

.The amount of product involved will be determined by an audit conducted by a Philip Morris Representative on February 23 or February 24 at the direct account's warehouse(s).

.Shipment reports will be provided by Richmond for the audit. These reports will be mailed from Data Control, New York Office, on February 19 via priority special delivery to home addresses. The Section Sales Manager's copy will be sent to the Section Office.

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.An Automatic Distribution Allowance Certification Statement & Invoice is to be completed during the audit and forwarded to Marketing Accounting and Budgets, New York Office.

If the shipment report is used as a basis for the audit, invoice numbers and dates do not need to be listed. Simply indicate the total shipment on line "A" (Total Purchases).

.The Automatic Distribution Allowance for direct military accounts will be handled off invoice by Military Accounts, New York Office.

Order Procedure

.All orders are to be forwarded to:

Mrs. Janie Walker
P.O. Box 26603
Richmond, VA 23261
Att: Customer Service Department

.Use the Toll Free Line, 800-446-7030, when timing of the order/delivery is a problem. When telephoning Customer Service, indicate that this is an introductory offer for Merit Ultra Lights. No written confirmation order is required when using the Toll Free Line.

Terms

.3½% - 30 days on introductory allocation only.

Sell-In Samples

.Sample product of Merit Ultra Lights is scheduled to be delivered to designated distributors December 16 or 17. These sell-in samples will be shipped in blind cases marked "Do Not Open, Hold for Philip Morris Representative." Distributors will receive invoices for the product the same day as delivery. See listing attached.

.Reimbursement to the Philip Morris Representative picking up the sell-in samples is to be made using the weekly expense voucher. If the dollars involved necessitate special invoicing, submit the invoice to Steve Sabella, Headquarter Sales Operations, New York Office.

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.The following quantities of samples are to be distributed to Managers:

	(QUANTITIES IN CARTONS)					
	<u>RD</u>	<u>SSM</u>	<u>SHA/SRO</u>	<u>AMCS/DS/CAM</u>	<u>MM</u>	<u>DM</u>
Merit Ultra Lights Regular	5	10	5	15	5	5
Merit Ultra Lights Menthol	5	10	5	15	5	5

Management Sell-In Materials

.The attached list of management materials for distribution in the quantities indicated have been shipped to the Section Manager's office for arrival no later than December 15. Limited quantities of these materials will be sent to the Region Office for distribution at the Region meeting.

Advertising Campaign

.This introduction will be supported by an aggressive advertising campaign using newspapers, magazines, Sunday supplements, and outdoor.

.The first full-page newspaper ad will appear beginning the week of February 2, concurrent with the start of retail coverage.

Military Fact Sheet

.The Fact Sheet will be mailed to Section Office for distribution.

.Supplementary data for military accounts, which is to be used during all military presentations, is reflected on the Fact Sheet.

.All headquarter military accounts will be given the Fact Sheet.

Profit Sheets

.The allocation of Profit Sheets listed below are enclosed with this program. They are for use with presentations to chain, wholesale, and military accounts. This sales piece highlights initial allocation profits from the Special Introductory and Automatic Distribution Allowance. For direct chains, a Special Merchandising Program allowance is also enclosed. Profit Sheets are allocated as follows:

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	<u>SSM</u>	<u>SRO/SHA</u>	<u>AMCS</u>	<u>AMDS</u>	<u>CAM</u>	<u>DM</u>	<u>MM</u>
Chain	10	10	50	--	30	10	--
Wholesale	10	10	--	50	30	10	--
Military	10	10	--	--	--	10	50

Merit/Merit Ultra Lights A-1

.Merit and Merit Ultra Lights will be featured on a 60-carton A-1 display scheduled for March. For complete program information, refer to the Merit/Merit Ultra Lights A-1 program details, which will be mailed at a later date.

Merit Ultra Lights Sampling Program

.During March and April we will conduct an eight week Merit Ultra Lights Sampling Program, using sample 6's. Complete details will arrive in January.

Set/Sell Allowances

.During the February and March Sales Cycles you are authorized to pay \$1.50 on all Merit Ultra Lights 30-pack vertical and 20-pack horizontal displays. The number of checkouts for the 20-pack horizontal is a maximum of ten, and a minimum of three. Maximum payment will be \$15.00 per store. After you have sold Merit Ultra Lights to your accounts, take the opportunity to book display dates. The maximum of ten displays should be placed only in those accounts where we will get a pay back from the standpoint of visibility and depth of inventory.

.Chain payments should be initiated by submitting the store's performance using the chain's letterhead. It is imperative that all personnel involved receive letters of authorization. All set/sells must be in a self-service position for a minimum of two weeks.

Reporting

.Attached are reporting instructions for the management sell-in detailed by type of account (distributor, vendor, chain, military). Review these instructions carefully noting the differences for Direct and Non-Direct. Be sure that you understand the instructions completely. It is your reporting that will help us to determine the initial impact and potential of Merit Ultra Lights.

.Under separate cover you will be provided with shipment reports and Certification Statement and Invoice forms for completion of the Automatic Distribution Allowance audits. Accurate and timely completion of these audits will ensure prompt processing of the invoices for payment to your direct accounts.

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.Section Sales Managers should select two distributors in their section for weekly audits to begin the week of March 9. The report form to be used is attached. These are to be mailed to Alan Weinman, Headquarter Sales Operations, New York Office, to arrive no later than Monday of the following week.

.An instructional memo will follow during the week of February 9.

SUPERVISORS, HEADQUARTER ACCOUNTS
SUPERVISORS, RETAIL OPERATIONS

.You are responsible to ensure that every aspect of this program is implemented properly at both headquarter and retail levels. Your Section Sales Manager will discuss additional instructions with you.

AREA MANAGERS CHAIN SALES

.When chain acceptance is received, it is imperative that code numbers are immediately assigned at the chain's warehouse. This will ensure a spot for Merit Ultra Lights when shipments arrive. Communicate with all applicable personnel all order numbers, forced shipments, and display dates as soon as possible.

.Gaining authorization for supermarket displays during the week of February 16 will be most beneficial to accounts for the Automatic Distribution Allowance; more importantly-it will provide Merit Ultra Lights with greater availability and visibility.

.Presentation of Merit/Merit Ultra Lights A-1 display scheduled for March should be made to all applicable chains during your new brand introduction coverage.

.Merit Ultra Lights brand position (Contract I) in our permanent display must be made clear in your presentations to contracted accounts. Merit Ultra Lights will remain Contract I through the first half of the March Cycle.

.All expenses incurred for payment of checkout displays to chain headquarters should be submitted to New York, not on your individual expense account.

AREA MANAGERS DISTRIBUTOR SALES

.Ensure product availability at headquarter jobbers so that Sales Representatives will have adequate stock for Merit Ultra Lights retail introduction on February 2.

.Coordinate with Division Managers to determine any new headquarter jobbers for Sales Representatives. Some may have changed as a result of the recent redeployment.

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DIVISION MANAGERS

- .The Merit Ultra Lights PPP retail instructions for all Sales Representatives will be shipped to you in bulk prior to February 2.
- .It is imperative that you verify your division's requirements for Plan B header cards and Merit Ultra Lights introductory material. If you have a shortage, contact Tom Walsh, Headquarter Sales Operations, New York Office. He will arrange shipment of additional materials.

MILITARY MANAGERS

ALL ACCOUNTS

- .In all direct military accounts both the Introductory Allowance and the Automatic Distribution Allowance will be deducted from invoice.
 - . \$15 per 12M case
 - Merit Ultra Lights up to allocation

AAFES

.Order Numbers		Nine Digit	VRR #	CRC #
	Merit Ultra Lights Regular	411-004-023	10537	1053701
	Merit Ultra Lights Menthol	411-006-016	10538	1053800

- .Military Managers with AAFES Region Headquarters responsibility should set appointments with buyers immediately. These managers should arrange for authorized distribution to all Military Exchanges within their region, and advise all Philip Morris personnel of the details.

ARMY & AIR FORCE COMMISSARIES

- .Voluntary price reductions will apply to all commissaries.
- .The Supply Bulletin National Stock Number (NSN) for Merit Ultra Lights will be sent to you during the introductory period.
- .Arrange for appointments with Region Headquarters under your responsibility during the week of January 5 for Merit Ultra Lights introduction. These items must be added to their catalog prior to individual store selling.
- .Air Force Commissaries must receive approval from their Complex Headquarters. Stores should be contacted on an individual basis to solicit introductory distribution by request from Complex Hdqtrs.
- .Header cards and shelf talkers to advertise the new brand introduction will be sent to you with your point-of-sale materials.

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NAVY, COAST GUARD, & MARINE EXCHANGES

- .The Navy Exchange Merchandising VOX authorization will be supplied to all stores upon availability. Endeavor to pre-sell in anticipation of approval.
- .This new brand will be listed on the P.A.B. (Price Agreement Bulletin) soon after the Merchandising VOX has been issued.
- .Coast Guard and Marine Exchanges usually operate on an individual basis and may purchase prior to the VOX issuance.

VETERAN'S CANTEEN

- .You will be advised of the authorization notice (yellow sheet) issued from the Veteran's Canteen Headquarters.
 - . Managers with Veteran's Canteen field office responsibility should attempt to obtain a blanket sheet for shipment to all stores in their region with the use of this yellow sheet.

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RETAIL PROGRAM DETAILS

Section Meeting Date

.Week of January 26

Retail Coverage

.February 2 through March 27

.Retail coverage and program elements will be part of the February Product Promotion Plan.

Retail Merchandising/Sell-In

.Merit Ultra Lights will be Contract I for the February Sales Cycle and the first half of the March Sales Cycle.

.Merit Ultra Lights will be Contract II for the second half of the March Sales Cycle.

.During the February and March Sales Cycles the retail sell-in will consist of 10 cartons. Suggested mix is 6 cartons Merit Ultra Lights Regular, 4 cartons Merit Ultra Lights Menthol.

.Ten percent gratis will be offered on the sell-in with Merit Ultra Lights (maximum of one carton) used as gratis.

Retail Sampling

.Sales Representatives are authorized to use 15 packs of 20's per day for switch selling and sampling retailers and consumers during the February Sales Cycle; maximum of 75 per week.

.In addition, Sales Representatives will be provided with a Merit/Merit Ultra Lights special carrier containing six Merits and six Merit Ultra Lights. Sales Representatives will sample these carriers at a rate of 25 per day for the February and March Sales Cycles.

NOTE: In Florida, Iowa, Texas, and Kansas the Merit/Merit Ultra Lights special carrier will contain two 4's.

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FEBRUARY SALES CYCLE

February 2 - February 27, 1981

Accounts With B Displays -- Display Brands

<u>1st Two Weeks</u>		<u>2nd Two Weeks</u>	
Contract I	Merit Ultra Lights	Contract I	Merit Ultra Lights
Contract II	B&H 100's	Contract II	V. S. Lights
Contract III	Marlboro Lights	Contract III	Cambridge
Contract IV	Cambridge	Contract IV	Marlboro

.Benson & Hedges Lights will offer a 20-pack vertical set/sell with a \$1.00 payment allowance per outlet.

Accounts Without B Displays -- Display Brands

.Merit Ultra Lights will offer a 30-pack vertical set/sell with a \$1.50 payment allowance per outlet.

.Benson & Hedges Lights will offer a 20-pack vertical set/sell with a \$1.00 payment allowance per outlet.

Accounts With Multiple Self-Service Checkouts

.Merit Ultra Lights will offer a 20-pack horizontal supermarket set/sell with a \$1.50 display allowance per checkout (maximum of \$15.00 for ten or more placements; minimum of \$4.50 for three placements) for placement in independent supermarkets.

Ethnic Accounts

.No special coverage for Merit Ultra Lights.

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MARCH SALES CYCLE

March 2 - March 27, 1981

Accounts With B Displays -- Display Brands

<u>1st Two Weeks</u>		<u>2nd Two Weeks</u>	
Contract I	Merit Ultra Lights	Contract I	B&H Lights
Contract II	Marlboro Lights	Contract II	Merit Ultra Lights
Contract III	V. S. Lights	Contract III	Marlboro
Contract IV	B&H Lights	Contract IV	Cambridge

.Marlboro Lights will offer a 20-pack vertical set/sell with a \$1.00 payment allowance per outlet.

Accounts Without B Displays -- Display Brands

.Merit Ultra Lights will offer a 30-pack vertical set/sell with a \$1.50 payment allowance per outlet.

.Marlboro Lights will offer a 20-pack vertical set/sell with a \$1.00 payment allowance per outlet.

Accounts With Multiple Self-Service Checkouts

.Merit Ultra Lights will offer a 20-pack horizontal supermarket set/sell with a \$1.50 display allowance per checkout (maximum of \$15.00 for ten or more placements; minimum of \$4.50 for three placements) for placement in independent supermarkets.

Ethnic Accounts

.No special coverage for Merit Ultra Lights.

1002418419

MANAGEMENT SELL-IN REPORTING INSTRUCTIONS
CHAIN ACCOUNTS

January 5 - February 27, 1981

After each presentation of Merit Ultra Lights, you must submit a recorder in accordance with the following:

.Authorized Brands Section:

Under Designated Brand B - report Merit Ultra Lights Regular acceptance by marking the "in" box if the account accepts Merit Ultra Lights Regular.

Under Designated Brand C - report Merit Ultra Lights Menthol acceptance by marking the "in" box if the account accepts Merit Ultra Lights Menthol.

.Survey Section:

FOR NON-DIRECT ACCOUNTS ONLY

Row B - report "yes" or "no" - did the account accept Merit Ultra Lights Regular.

Row C - report "yes" or "no" - did the account accept Merit Ultra Lights Menthol.

NOTE: No special reporting is required for direct accounts.

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MANAGEMENT SELL-IN REPORTING INSTRUCTIONS
DISTRIBUTOR ACCOUNTS

January 5 - February 27, 1981

After each presentation of Merit Ultra Lights to a non-direct account, you must submit a recorder in accordance with the following:

.Survey Section:

FOR NON-DIRECT ACCOUNTS ONLY

Row B - for non-direct accounts, mark "yes" or "no" -
has account purchased Merit Ultra Lights Regular.

Row C - for non-direct accounts, mark "yes" or "no" -
has account purchased Merit Ultra Lights Menthol.

NOTE: No special reporting is required for direct accounts.

1002418421

MANAGEMENT SELL-IN REPORTING INSTRUCTIONS
VENDOR ACCOUNTS

January 5 - February 27, 1981

After each presentation of Merit Ultra Lights to an account, you must submit a recorder in accordance with the following:

.Authorized Brands Section:

Under Designated Brand B - report Merit Ultra Lights Regular acceptance by marking the "in" box if the account accepts Merit Ultra Lights Regular.

Under Designated Brand C - report Merit Ultra Lights Menthol acceptance by marking the "in" box if the account accepts Merit Ultra Lights Menthol.

.Survey Section:

FOR NON-DIRECT ACCOUNTS ONLY

Row B - report "yes" or "no" - did the account accept Merit Ultra Lights Regular.

Row C - report "yes" or "no" - did the account accept Merit Ultra Lights Menthol.

NOTE: No special reporting is required for direct accounts.

1002418422

MILITARY SELL-IN REPORTING INSTRUCTIONS
MILITARY ACCOUNTS/MCR RECORDER

January 5 - March 27, 1981

BRANDS STOCKED (Section 18)

Distribution (including "Added" and "Dropped") of Merit Ultra Lights Regular is to be reported in Column A (91) and Merit Ultra Lights Menthol is to be reported in Column B (92) of the "Brands Stocked" section.

SURVEY (Section 14)

Report for all calls

- .Column C - report "yes" or "no" - is there distribution of Merit Ultra Lights Regular when you leave the call.
- .Column D - report "yes" or "no" - is there distribution of Merit Ultra Lights Menthol when you leave the call.

1002418423

ICR REPORTING INSTRUCTIONS

February 2 - March 27, 1981

SALES

Distribution and carton sales of Merit Ultra Lights Regular are to be reported in Column A and Merit Ultra Lights Menthol are to be reported in Column B in the "Designated Brand" section.

SURVEY SECTION

Report for all calls, chains and independents:

.Column 2 - report "yes" or "no" - is there distribution of Merit Ultra Lights Regular when you enter.

.Column 3 - report "yes" or "no" - is there distribution of Merit Ultra Lights Regular when you leave.

.Column 4 - report "yes" or "no" - is there distribution of Merit Ultra Lights Menthol when you enter.

.Column 5 - report "yes" or "no" - is there distribution of Merit Ultra Lights Menthol when you leave.

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FROM: _____

TERRITORY #: _____

DISTRIBUTOR AUDIT FORM
MERIT ULTRA LIGHTS

DISTRIBUTOR: _____

Invoice	Total # Ctns. On Order	Merit Ultra Lights		Merit		Merit 100's		Vantage Ultra Lts.		Barclay	
		Reg.	Men.	Reg.	Men.	Reg.	Men.	Reg.	100's	Reg.	Men.
1											
2											
3											
4											
5											
6											
7											
8											
9											
10											
11											
12											
13											
14											
15											
TOTALS											

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MERIT ULTRA LIGHTS
MANAGEMENT MATERIALS

	<u>RD</u>	<u>SSM</u>	<u>SRO</u>	<u>SHA</u>	<u>AMCS</u>	<u>AMDS</u>	<u>CAM</u>	<u>MM</u>	<u>DM</u>	<u>ADM</u>	<u>SR</u>
Letterhead	10	10	10	10	250	150	150	25	50	10	--
Trade Folder	10	10	10	10	50	75	75	25	50	10	25
Flip Chart	10	10	10	10	50	75	75	25	50	10	25
Flip Chart Folder	10	10	10	10	50	75	75	25	50	10	25
Mr. Retailer	--	--	--	--	--	2,000	1,000	--	--	--	--
Ad Reprint	10	10	10	10	10	10	10	10	10	10	20
Fact Sheet	--	--	--	--	--	--	--	10	--	--	--
ADA Cert. St. & Inv.	--	--	--	--	4 Pds.	4 Pds.	4 Pds.	--	4 Pds.	--	--
Circular 476	10	10	10	10	50	50	50	25	50	--	--
Circular 476A	10	10	10	10	50	50	50	25	50	--	--

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MERIT ULTRA LIGHTS

Point of Sale Materials
February 2 - March 27, 1981

<u>ITEM</u>	<u>CODE #</u>	<u>DM</u>	<u>ADM</u>	<u>MM</u>	<u>SR</u>
30-Pack S/S (V)	14579	200	50	50	100
20-Pack S/S (H)	14580	75	--	75	150
10-Pack S/S (Gravity Feed)	16766	25	--	--	25
Primary Header	14582	40	--	20	List
Shelf Talker	14583	100	100	100	200
Poster - Large	14584	100	100	--	200
Poster - Small	14585	100	100	100	250
Multipurpose Card	14586	100	100	100	200
Window Banner	14587	75	--	--	75
Jumbo Pack	14588	50	50	50	100
Vertical Poster	14590	100	100	50	300
Packmaster Header - 8 ch.	14591	--	--	List	List
Packmaster Header - 12 ch.	14592	--	--	List	List
Packmaster Header - 16 ch.	14593	--	--	List	List

Carton Rack Labels

Regular	14330	4 shts	4 shts	4 shts	8 shts
Menthol	14331	4 shts	4 shts	4 shts	8 shts

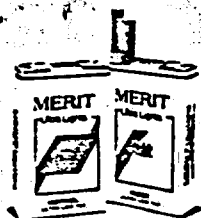
Woodgrain Labels

Regular	14332	4 shts	4 shts	4 shts	16 shts
Menthol	14333	4 shts	4 shts	4 shts	16 shts

Pack Rack Labels

Regular	14334	4 shts	4 shts	4 shts	8 shts
Menthol	14335	4 shts	4 shts	4 shts	8 shts

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New! Merit
Ultra Lights

CHAIN ACCOUNTS

FOR: _____

TOTAL SPECIAL INTRODUCTORY, AUTOMATIC DISTRIBUTION, AND
MERCHANDISING PROGRAM ALLOWANCES \$ _____

SPECIAL INTRODUCTORY ALLOWANCE (1/26/81 - 2/13/81)

ALLOWANCE PER CASE \$ _____

CASES _____

TOTAL \$ _____

AUTOMATIC DISTRIBUTION ALLOWANCE (1/25/81 - 2/20/81)

(FOR EACH CASE MOVED THROUGH THE WAREHOUSE TO RETAIL LEVEL)

ALLOWANCE PER CASE \$ _____

CASES _____

TOTAL \$ _____

SPECIAL MERCHANDISING PROGRAM ALLOWANCE

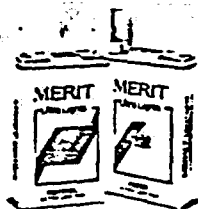
_____ # DISPLAYS @ \$ _____ PAYMENT PER STORE

X _____ # OF STORES = \$ _____

_____ # DISPLAYS @ \$ _____ PAYMENT PER STORE

X _____ # OF STORES = \$ _____

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New! Merit
Ultra Lights

WHOLESALE ACCOUNTS

FOR: _____

TOTAL INTRODUCTORY AND AUTOMATIC DISTRIBUTION ALLOWANCE \$ _____

SPECIAL INTRODUCTORY ALLOWANCE (1/26/81 - 2/13/81)

ALLOWANCE PER CASE \$ _____

CASES _____

TOTAL \$ _____

AUTOMATIC DISTRIBUTION ALLOWANCE (1/26/81 - 2/20/81)

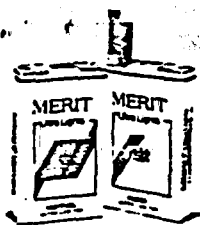
(FOR EACH CASE MOVED THROUGH THE WAREHOUSE TO RETAIL LEVEL)

ALLOWANCE PER CASE \$ _____

CASES _____

TOTAL \$ _____

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New! Merit
Ultra Lights

MILITARY ACCOUNTS

FOR: _____

SPECIAL INTRODUCTORY AND AUTOMATIC DISTRIBUTION ALLOWANCE (1/26/81 - 2/13/81)

ALLOWANCE PER CASE \$ _____

CASES _____

TOTAL \$ _____

• AUTOMATIC DISTRIBUTION ALLOWANCE (2/16/81 - 2/20/81)

ALLOWANCE PER CASE \$ _____

CASES _____

TOTAL \$ _____

1002418430



PHILIP MORRIS

U.S.A.

100 PARK AVENUE, NEW YORK, N. Y. 10017 TELEPHONE (212) 679-1800

January 5, 1981

CIRCULAR NO. 476

TO OUR CUSTOMERS:

We are pleased to announce important news for the growing number of ultra low tar smokers. On January 26, 1981 Merit will introduce new MERIT ULTRA LIGHTS Regular and Menthol in your area.

Now the Merit idea has been extended to only 4mg tar, a milder Merit for those who prefer an ultra low tar cigarette. It's going to set a whole new taste standard for ultra low tar smoking.

New MERIT ULTRA LIGHTS will receive the high-impact advertising and merchandising support you've come to expect from Merit.

PRODUCT INFORMATION ON MERIT ULTRA LIGHTS

PRODUCT AND UPC:	CASE	CARTON	PACK
85 Millimeter Regular	01010	11010	281012
85 Millimeter Menthol	01020	11020	281022
LIST PRICE:	\$18.50 per thousand cigarettes.		
NORMAL TERMS:	Discount of 3% if remittances are received by us within 10 days, or 2% if mailed within 14 days, of normal delivery dates as shown on our invoice.		
PACKING:	12,000 cigarettes (60 cartons) per case.		

SPECIAL INTRODUCTORY ALLOWANCE AND INTRODUCTORY TERMS

To enlist your cooperation in obtaining retail distribution of new MERIT ULTRA LIGHTS Regular and Menthol cigarettes, we are making available to you the following Introductory Allowance during the introductory period of January 26, 1981 to February 13, 1981.

\$9.00 per 12M case (75 cents per thousand)

This Introductory Allowance applies to that quantity invoiced to you during the introductory period, up to but not in excess of your allocation for MERIT ULTRA LIGHTS Regular and Menthol. Your Philip Morris representative will advise you of the quantity allocated to you. Payment of the Introductory Allowance will be made as soon as practicable after the end of the introductory period.

In addition to the above Introductory Allowance, we will also offer a special allowance for rapid distribution of MERIT ULTRA LIGHTS Regular and Menthol to retail stores. Details of the "Automatic Distribution Allowance" are covered in our Circular No. 476-A.

Instead of our normal terms, we will allow you a cash discount of 3 1/4% on allocation shipments made during this introductory period if payment is received within 30 days of the normal delivery date as shown on our invoice.

All orders are subject to acceptance by our Richmond office and to prices, styles and sizes in effect on date of shipment.

No representative or employee of this Company has any authority to alter any circular, letter or price list issued by this Company.

PHILIP MORRIS U.S.A.
A Division of Philip Morris Inc.

MARLBORO BENSON & HEDGES MERIT VIRGINIA SLIMS PARLIAMENT SARATOGA MULTIFILTER ALPINE

1002418431



PHILIP MORRIS

U.S.A.

100 PARK AVENUE, NEW YORK, N. Y. 10017 TELEPHONE (212) 679-1800

January 5, 1981

CIRCULAR NO. 476-A

TO OUR CUSTOMERS:

To further enlist your cooperation in obtaining rapid distribution of new **MERIT ULTRA LIGHTS** Regular and Menthol cigarettes, we are making available to you the following automatic distribution allowance:

DETAILS OF THE AUTOMATIC DISTRIBUTION ALLOWANCE

We will pay you \$6.00 per 12M case (50 cents per thousand) on all **MERIT ULTRA LIGHTS** Regular and Menthol shipped from your warehouse into retail distribution, through February 20, 1981.

This offer applies to all **MERIT ULTRA LIGHTS** Regular and Menthol shipped into retail distribution during the introductory period, including **MERIT ULTRA LIGHTS** Regular and Menthol purchased and shipped over and above the quantity allocated to you for our Special Introductory Allowance outlined in Circular No. 476.

Your Philip Morris Representative will contact you on February 23, 1981 or February 24, 1981 to determine movement quantities and certify the necessary forms for the Automatic Distribution Allowance.

All orders are subject to acceptance by our Richmond office and to prices, styles and sizes in effect on date of shipment.

No representative or employee of this Company has any authority to alter any circular, letter or price list issued by this Company.

PHILIP MORRIS U.S.A.
A Division of Philip Morris Inc.

1002418432



PHILIP MORRIS

U.S.A.

100 PARK AVENUE, NEW YORK, N. Y. 10017 TELEPHONE (212) 679-1800

January 5, 1981

FACT SHEET

Supplementary Data For Military Accounts

Product Information on MERIT ULTRA LIGHTS cigarettes

PRODUCT AND UPC:	CASE	CARTON	PACK
85 Millimeter Regular	01010	11010	281012
85 Millimeter Menthol	01020	11020	281022

PACKINGS: 60 Cartons (12M cigarettes) per case.

LIST PRICE: \$3.625 per carton.

NORMAL TERMS: 1.25% cash discount allowed if payment remitted within 10 days after delivery or receipt of invoice, whichever is later.

NOTE: The 1¼% cash discount will be extended for a 30 day period on allocated shipments. Your Philip Morris representative will advise you of your allocation.

CASE DIMENSIONS:

Weight - 35.8 lbs.
Case Cube - 2.6 cu. ft.
Height - 21.9 in.
Length - 17.8 in.
Width - 11.4 in.

Special Introductory Allowance and Automatic Distribution Allowance:

1/26/81 through 2/13/81 - 25¢ per carton "Off Invoice"

2/16/81 through 2/20/81 - 10¢ per carton "Off Invoice"

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